

FIRST REGULAR SESSION

# HOUSE BILL NO. 699

## 102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HARDWICK.

1689H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To repeal section 313.842, RSMo, and to enact in lieu thereof nine new sections relating to gaming, with penalty provisions.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 313.842, RSMo, is repealed and nine new sections enacted in lieu thereof, to be known as sections 313.425, 313.427, 313.429, 313.431, 313.433, 313.434, 313.435, 313.437, and 313.842, to read as follows:

**313.425. Sections 313.425 to 313.437 shall be known and may be cited as the "Honoring Missouri Veterans and Supporting Missouri Education Act" and shall provide additional funding for Missouri education programs and the Missouri veterans commission by establishing a licensing and regulatory framework under the control of the commission for the use of video lottery terminals to conduct lottery games.**

**313.427. As used in sections 313.425 to 313.437, the following words and phrases shall mean:**

**(1) "Centralized computer system", a computerized system developed or procured by the commission that video lottery game terminals are connected to using standard industry protocols that can activate or deactivate a particular video lottery game terminal from a remote location and that is capable of monitoring and auditing video lottery game plays;**

**(2) "Commission" or "lottery commission", the body appointed by the governor to manage and oversee the lottery under section 313.215;**

**(3) "Fraternal organization", any organization within this state operating under the lodge system which exists for the common benefit, brotherhood, or other interest of**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

12 its members, except college fraternities and sororities, of which no part of the net  
13 earnings inures to the benefit of any private shareholder or any individual member of  
14 such organization, which has been exempted from the payment of federal income tax,  
15 and which derives its charter from a national fraternal organization which regularly  
16 meets;

17 (4) "Truck stop", a location that provides parking and is equipped for fueling  
18 commercial vehicles, that has sold on average ten thousand gallons of diesel or biodiesel  
19 fuel each month for the previous twelve months or is projected to sell an average of ten  
20 thousand gallons of diesel or biodiesel fuel each month for the next twelve months, and  
21 that obtains and maintains a lottery game retailer license issued by the commission;

22 (5) "Veterans' organization", a post or organization of veterans, or an auxiliary  
23 unit or society of, or a trust or foundation for, any such post or organization organized  
24 in the United States or any of its possessions in which at least seventy-five percent of the  
25 members are veterans of the United States Armed Forces and substantially all of the  
26 other members are individuals who are veterans or are cadets, or are spouses, widows,  
27 or widowers of war veterans of such individuals, in which no part of the net earnings  
28 inures to the benefit of any private shareholder or individual, and which has been  
29 exempted from payment of federal income taxes;

30 (6) "Video lottery game", any lottery game approved by the commission for play  
31 on an approved video lottery game terminal using video lottery game terminal credits  
32 that have been purchased with cash, cash equivalents, or with a winning video lottery  
33 game terminal ticket;

34 (7) "Video lottery game adjusted gross receipts", the total of cash or cash  
35 equivalents used for the play of a video lottery game on a video lottery game terminal  
36 minus cash or cash equivalent paid to players as a result of playing video lottery games  
37 on a video lottery game terminal;

38 (8) "Video lottery game handler", a person employed by a licensed video lottery  
39 game operator and who is licensed by the commission to handle, place, operate, and  
40 service video lottery game terminals and associated equipment;

41 (9) "Video lottery game manufacturer" or "distributor", any person licensed by  
42 the commission that manufactures video lottery game terminals or major parts and  
43 components for video lottery game terminals as approved by the commission for sale to  
44 licensed video lottery game operators, or a person licensed by the commission to  
45 distribute or service video lottery game terminals or major parts and components of  
46 video lottery game terminals including buying, selling, leasing, renting, or financing  
47 new, used, or refurbished video lottery game terminals to and from licensed video  
48 lottery game manufacturers and licensed video lottery game operators;

49           (10) "Video lottery game operator", a person licensed by the commission that  
50 owns, rents, or leases and services or maintains video lottery game terminals for  
51 placement in licensed video lottery retailer establishments;

52           (11) "Video lottery game retailer", a retail establishment meeting the  
53 requirements of a lottery game retailer under section 313.260, that secures and  
54 maintains a license issued by the commission to conduct video lottery games played on a  
55 video lottery game terminal or terminals and that is a fraternal organization, veterans  
56 organization, truck stop, or business entity licensed under chapter 311 to sell liquor by  
57 the drink;

58           (12) "Video lottery game terminal", a player-activated terminal that exchanges  
59 coins, currency, tickets, ticket vouchers, or electronic payment methods approved by the  
60 commission for credit on a video lottery game terminal used to play video lottery games  
61 approved by the commission. Such video lottery game terminals may use a video  
62 display and microprocessor capable of printing and issuing a ticket at the conclusion of  
63 any video lottery game play that may be redeemed at a video lottery game ticket  
64 redemption terminal or may be reinserted into a video lottery game terminal for video  
65 lottery game credit and game plays. All video lottery games approved by the  
66 commission for play on a video lottery game terminal shall have a minimum theoretical  
67 payout of eighty-five percent;

68           (13) "Video lottery game terminal credit", credits either purchased or won on a  
69 video lottery game terminal by a player that may be used to play video lottery games  
70 and that may be converted into a video lottery game ticket;

71           (14) "Video lottery game ticket" or "ticket", a document printed at the  
72 conclusion of any video lottery game play or group of plays on a video lottery game  
73 terminal that is redeemable for cash, utilizing a video lottery game ticket redemption  
74 terminal, or that may be reinserted into a video lottery game terminal in the  
75 establishment from which such ticket is issued for video lottery game terminal credit;

76           (15) "Video lottery game ticket redemption terminal", the collective hardware,  
77 software, communications technology, and other ancillary equipment used to facilitate  
78 the payment of tickets cashed out by players as a result of playing a video lottery game  
79 terminal.

          313.429. 1. (1) Except as provided in subdivision (2) of this subsection, the  
2 commission shall implement a system of video lottery game terminals utilizing a  
3 licensing structure for processing license applications and issuing licenses to video  
4 lottery game manufacturers, video lottery game distributors, video lottery game  
5 operators, video lottery game handlers, and video lottery game retailers for the conduct  
6 of lottery games utilizing video lottery game terminals within the state.

7           **(2) No person licensed as a:**

8           **(a) Video lottery game manufacturer or a video lottery game distributor shall be**  
9 **issued a license as a video lottery game operator or a video lottery game retailer;**

10           **(b) Video lottery game operator shall be issued a license as a video lottery game**  
11 **manufacturer, a video lottery game distributor, or a video lottery game retailer; and**

12           **(c) Video lottery game retailer shall be issued a license as a video lottery game**  
13 **manufacturer, a video lottery game distributor, or a video lottery game operator.**

14           **(3) Nothing in this subsection shall prevent a video lottery game manufacturer**  
15 **from obtaining a video lottery game manufacturer's license and a video lottery game**  
16 **distributor's license and providing and operating the centralized computer system for**  
17 **monitoring video lottery game terminals.**

18           **2. Under no circumstances shall the commission:**

19           **(1) Authorize or allow a single vendor or licensee to implement the system of**  
20 **video lottery game terminals created under this section; or**

21           **(2) Allow a single licensed video lottery game operator to control or operate**  
22 **more than twenty-five percent of video lottery game terminals in the state after**  
23 **December 31, 2027.**

24           **3. (1) The video lottery game system authorized by this section shall allow for**  
25 **multiple video lottery game manufacturers, video lottery game distributors, and video**  
26 **lottery game operators to encourage private sector investment and job opportunities for**  
27 **Missouri citizens. Video lottery game terminals shall be connected to a centralized**  
28 **computer system developed or procured by the commission. The commission shall**  
29 **provide licensed video lottery game operators with the necessary protocols to connect**  
30 **the operators' video lottery game terminal or terminals to the centralized computer**  
31 **system after such terminal or terminals have been approved by the commission. No**  
32 **video lottery game terminal shall be placed in operation without first connecting to the**  
33 **centralized computer system after such terminal or terminals have been approved by**  
34 **the commission. A vendor that provides the centralized computer system authorized**  
35 **under this subsection shall not be eligible to be licensed as a video lottery game operator**  
36 **or video lottery game retailer. The commission may impose an initial nonrefundable**  
37 **license application fee to cover the cost of investigating the background of the licensee,**  
38 **including a criminal background check, as follows:**

39           **(a) For video lottery game manufacturers, video lottery game distributors, and**  
40 **video lottery game operators, no more than twenty-five thousand dollars;**

41           **(b) For video lottery game retailer establishments, no more than one thousand**  
42 **dollars; or**

43           **(c) For video lottery game handlers, no more than one hundred dollars.**

44           (2) The initial license shall be for a period of one year. Thereafter, license  
45 renewal periods shall be four years with the applicable renewal fee paid for each year of  
46 such license renewal in advance. Annual license renewal fees for anyone licensed  
47 pursuant to this subsection, and subsequent to the initial one-year period, shall be as  
48 follows:

49           (a) Five thousand dollars for video lottery game manufacturers, video lottery  
50 game distributors, and video lottery game operators;

51           (b) Fifty dollars for video lottery game handlers; and

52           (c) Five hundred dollars for each video lottery game retailer's establishment.

53           (3) In addition to the license fees required in subdivisions (1) and (2) of this  
54 subsection, an annual administrative fee of three hundred dollars shall be paid for each  
55 video lottery game terminal placed in service. Such administrative fee shall be equally  
56 divided and paid by the video lottery game operator and the video lottery game retailer  
57 to the commission once a year and deposited in the state lottery fund and distributed to  
58 the veterans' commission capital improvement trust fund created in section 42.300.

59           (4) Nothing in this subsection shall be construed to relieve the licensee of the  
60 affirmative duty to notify the commission of any change relating to the status of the  
61 license or to any other information contained in the application materials on file with  
62 the commission.

63           4. No license shall be issued to any person, and no person shall be allowed to  
64 serve as a sales agent, who has been convicted of a felony or a crime involving illegal  
65 gambling. Sales agents shall be registered with the commission by a licensed video  
66 lottery game operator, and shall not solicit or enter into any contract with a video lottery  
67 game retailer prior to such retailer being licensed to conduct video lottery games on  
68 video lottery game terminals.

69           5. No license requirement, sticker fee, or tax shall be imposed by any local  
70 jurisdiction upon a video lottery game manufacturer, video lottery game distributor,  
71 video lottery game operator, video lottery game retailer, video lottery game handler, or  
72 video lottery game terminal or an establishment relating to the operation of video  
73 lottery games, video lottery game terminals, or associated equipment.

74           6. (1) Video lottery game terminals shall meet independent testing standards  
75 approved by the commission, as tested by one or more licensed independent test labs,  
76 and be capable of randomly generating the outcome of video lottery games approved by  
77 the commission. Video lottery game terminals shall be capable of printing a ticket  
78 redeemable for winning video lottery game plays. Such video lottery game terminals  
79 shall be inspected and approved prior to being sold, leased, or transferred.

80           (2) Licensed video lottery game manufacturers may buy, sell, or lease new or  
81 refurbished video lottery game terminals to and from licensed video lottery game  
82 distributors.

83           (3) Licensed video lottery game distributors may buy, sell, or lease new or  
84 refurbished video lottery game terminals to or from licensed video lottery game  
85 manufacturers or licensed video lottery game operators.

86           7. (1) Licensed video lottery game operators:

87           (a) May buy, lease, or rent video lottery game terminals from licensed video  
88 lottery game manufacturers, operators, or distributors;

89           (b) May handle, place, and service video lottery game terminals;

90           (c) Shall connect such video lottery game terminals to the centralized computer  
91 system approved by the commission; and

92           (d) Shall, notwithstanding the provisions of section 313.321 to the contrary, pay  
93 all video lottery game winnings using a video lottery game ticket redemption terminal.  
94 Such video lottery ticket redemption terminal shall be located within the video lottery  
95 game retailer's establishment in direct proximity to such video lottery games. Video  
96 lottery game operators shall pay the commission thirty-two percent of any unclaimed  
97 cash prize associated with a winning ticket that has not been redeemed within one  
98 hundred eighty days of issue.

99           (2) Rents or leases for video lottery game terminals shall be written at a flat rate  
100 and shall not include revenue splitting as a method used in the calculation of the lease or  
101 rent.

102           (3) Licensed video lottery game operators and licensed video lottery game  
103 retailers shall enter into a written agreement for the placement of video lottery game  
104 terminals. The agreement shall be on a form approved by the commission and shall  
105 specify an equal division of adjusted gross receipts after adjustments for taxes and  
106 administrative fees are made, shall have a minimum term of five years and a maximum  
107 term of ten years, and shall be renewable for a term of a minimum of five additional  
108 years. A video lottery game operator shall be responsible for remitting to the  
109 commission and the video lottery game retailer its share of adjusted gross receipts.  
110 Nothing in this subdivision shall prohibit a licensed video lottery game operator from  
111 entering into an agreement with a sales agent for retailer agreements, provided such  
112 agreement is in writing and approved by the commission prior to beginning sales  
113 activities and prior to the start date established pursuant to section 313.431. Video  
114 lottery game operators and their sales agents and affiliates and video lottery game  
115 retailers are specifically prohibited from offering anything of value, other than the  
116 percentage of adjusted gross receipts provided under this subsection, or entering into an

117 agreement with a retailer prior to the start date for the initial or continued placement of  
118 video lottery game terminals, except that a video lottery game operator may pay for  
119 construction of a video lottery game terminal area inside the premises of a video lottery  
120 game retailer. Contract agreements entered into prior to the start date established  
121 pursuant to section 313.431 between a prospective video lottery game terminal operator  
122 or sales agent with a prospective video lottery game retailer shall be invalid.

123 (4) To combat problem gambling, video lottery game operators shall allow  
124 players to be self-excluded from video lottery game play. Operators shall provide the  
125 commission with a list of players that have elected to be excluded from video lottery  
126 game play within thirty days of such election and shall update such list periodically as  
127 required by the commission. Such self-excluded list shall be considered confidential  
128 information and shall not be released to the public. The commission shall issue such  
129 self-exclusion procedures by rule.

130 (5) Nothing in this section shall be construed to prevent a video lottery game  
131 operator or a video lottery game retailer from using a player rewards system as  
132 approved by the commission. No player shall be required to enroll in a rewards  
133 program offered by a video lottery game operator or video lottery game retailer as a  
134 condition to play video lottery games.

135 8. No licensed video lottery game operator shall:

136 (1) Offer video lottery gaming terminals that directly dispense anything of value  
137 except for tickets for winning plays. Tickets shall be dispensed by pressing the ticket  
138 dispensing button on the video lottery gaming terminal at the end of any video lottery  
139 game play. The ticket shall indicate the total amount of video lottery game terminal  
140 credits and the cash award, the time of day in a twenty-four-hour format showing hours  
141 and minutes, the date, the terminal serial number, the sequential number of the ticket,  
142 and an encrypted validation number from which the validity of the prize may be  
143 determined. The price of video lottery game terminal credits shall be determined by the  
144 commission. The maximum wager played per video lottery game shall not exceed five  
145 dollars. The maximum prize payoff for a winning maximum wager for a single game  
146 play shall be no more than one thousand one-hundred dollars, or the maximum amount  
147 allowable by federal law before tax withholding is required for a single game-winning  
148 play;

149 (2) Operate more than eight video lottery game terminals per location on the  
150 premises of a fraternal organization, veterans organization, or truck stop that has  
151 secured and maintains a video lottery game retailer's license;

152           (3) Operate more than five video lottery game terminals per location on the  
153 premises of any business entity licensed as a video lottery game retailer that is not a  
154 fraternal organization, veterans organization, or truck stop;

155           (4) Advertise video lottery games outside of a licensed video lottery game  
156 retailer's establishment through any media outlets or direct mail or telephone  
157 solicitations. The advertising prohibition contained in this subdivision shall apply to  
158 all licensees including, but not limited to, video lottery game manufacturers, video  
159 lottery game distributors, video lottery game operators, video lottery game retailers,  
160 and video lottery game handlers; except that, a video lottery game retailer may  
161 participate in an advertising program that is promoted through and sponsored by the  
162 state lottery and may advertise in or on the outside of the establishment's building and  
163 parking lot and a video lottery game operator shall pay no more than two thousand  
164 dollars per month for the cost of such advertising; or

165           (5) Allow video lottery games to be played at any time when the video lottery  
166 game retailer's establishment is closed for business.

167           9. (1) No person under twenty-one years of age shall play video lottery games,  
168 and such video lottery game terminals shall be under the supervision of a person that is  
169 at least twenty-one years of age to prevent persons under twenty-one years of age from  
170 playing video lottery games. Video lottery game terminals shall be placed in a fully  
171 enclosed room that is continually monitored by video surveillance and where access to  
172 persons under twenty-one years of age is denied by a procedure approved by the  
173 commission. A warning sign shall be posted in a conspicuous location where such video  
174 lottery game terminals are located, containing in red lettering at least one-half inch high  
175 on a white background the following:

176           "YOU MUST BE AT LEAST 21 YEARS OF AGE TO PLAY VIDEO LOTTERY  
177 GAMES".

178           (2) In addition to the placement and supervision requirements of this subsection,  
179 video surveillance footage in the immediate area of the video lottery game retailer's  
180 establishment where video lottery game terminals are located shall be reviewed by video  
181 lottery game operators as required by the commission for any violation of law, rules, or  
182 regulations governing the conduct of video lottery games and shall be made available to  
183 the commission upon request. A video lottery game operator that fails to report any  
184 known violation of law, rules, or regulations governing the conduct of video lottery  
185 games in conformance with established commission procedures may be subject to an  
186 administrative fine not to exceed five thousand dollars. Any video lottery game retailer  
187 that fails to report any known violation of law, rules, or regulations governing the  
188 conduct of video lottery games in conformance with established commission procedures



may be subject to an administrative fine not to exceed five thousand dollars. In the event a video lottery game operator or retailer is found to have knowingly committed a violation governing the conduct of video lottery games, the commission may impose an administrative fine not to exceed five thousand dollars, suspend such operator's or retailer's license for up to thirty days, or, in the case of repeated violations, revoke such operator's or retailer's license for a period of one year. Any video lottery game operator or retailer aggrieved by the commission's decision in any disciplinary action that results in the suspension or revocation of such operator's or retailer's video lottery game license may appeal such decision by filing an action in circuit court.

(3) Video lottery game retailers shall provide an intrusion detection system capable of detecting unauthorized entrance of the video lottery game retailer's establishment during nonbusiness hours and shall report to the commission any unauthorized entrance of the video lottery game retailer's establishment. Such surveillance and intrusion detection system shall meet specifications as defined by the commission.

(4) A video lottery game operator shall post a sign in a conspicuous location where such video lottery game terminals are located, containing in red lettering at least one-half inch high on a white background a telephone contact number (1-888-BETSOFF) for the problem gambling helpline.

10. (1) Video lottery game operators shall pay the commission thirty-six percent of the video lottery game adjusted gross receipts, which shall be deposited in the state lottery fund. The commission shall transfer, subject to appropriation, the amount received from the operator from the lottery fund to the lottery proceeds fund after administrative expenses equal to four percent of the video lottery game adjusted gross receipts are paid to the municipality where a licensed video lottery game retailer maintains an establishment licensed for the operation of video lottery game terminals, or if such licensed establishment is not located within the corporate boundaries of a municipality, then to the county where such licensed establishment is located to reimburse such municipality or county for administrative expenses, and any administrative expenses for the commission that are not covered by reimbursements from operators are deducted. Net proceeds transferred to the lottery proceeds fund shall be appropriated equally to public elementary and secondary education and public institutions of higher education with an emphasis on funding elementary and secondary education student transportation costs and public institutions of higher education workforce development programs.

(2) Video lottery game operators shall retain the remainder of the video lottery game adjusted gross receipts, a portion of which shall be utilized to pay for

administrative expenses, which shall include the cost of the centralized computer system, which cost shall be paid by video lottery game operators in proportion to the number of video lottery game terminals operated. Fifty percent of the costs of the centralized computer system shall be apportioned by the video lottery game operator among video lottery game retailers to which it provides operations based on the number of video lottery game terminals located at the video lottery game retailer's establishment. The remainder of adjusted gross receipts retained by the video lottery game operator, after the cost of the centralized computer system and administrative costs are paid and apportioned, shall be divided equally between the video lottery game operator and video lottery game retailer as agreed under subsection 7 of this section.

11. All revenues received by the commission from license fees and any reimbursements associated with the administration of the provisions of sections 313.425 to 313.437, and all interest earned thereon, shall be considered administrative expenses and shall be deposited in the state lottery fund. Moneys deposited into the state lottery fund from license fees and any reimbursements of commission administrative expenses to administer sections 313.425 to 313.437 shall be considered administrative expenses and shall not be considered net proceeds pursuant to Article III, Section 39(b) of the Missouri Constitution. Subject to appropriation, up to one percent of such license fees shall be deposited to the credit of the compulsive gamblers fund created under section 313.842. The remainder of the money deposited in the state lottery fund from video lottery game license fees and any reimbursements of commission administrative expenses to enforce sections 313.425 to 313.437 shall, subject to appropriation, be used for administrative expenses associated with supervising and enforcing the provisions of sections 313.425 to 313.437.

12. The commission shall contract with a state law enforcement entity to assist in conducting background investigations of video lottery game applicants, and for the enforcement of sections 313.425 to 313.437.

13. A video lottery game licensee suspected of a violation of sections 313.425 to 313.437 shall be afforded an administrative hearing by the director of the state lottery on the record, and an appeal of any action taken to impose a fine on such licensee shall be to the commission. Any such administrative suspension or revocation upheld by the commission may be appealed by the video lottery game licensee in a state court of competent jurisdiction.

14. The commission shall adopt rules for the implementation of the video lottery game system authorized under sections 313.425 to 313.437, including, but not limited to, the placement of video lottery terminals within a retail establishment and for the active oversight of the conduct of video lottery games. Any rule or portion of a rule, as that

263 term is defined in section 536.010, that is created under the authority delegated in this  
264 section shall become effective only if it complies with and is subject to all of the  
265 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter  
266 536 are nonseverable and if any of the powers vested with the general assembly  
267 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul  
268 a rule are subsequently held unconstitutional, then the grant of rulemaking authority  
269 and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

313.431. In order to expedite the orderly implementation of the video lottery  
2 game system authorized under sections 313.425 to 313.437, the commission shall:

3 (1) Contract for the supply and operation of a centralized computer system for  
4 video lottery games no later than one hundred twenty days after the effective date of this  
5 act;

6 (2) Make license applications for video lottery game manufacturers, video  
7 lottery game distributors, video lottery game operators, video lottery game retailers,  
8 and video lottery game handlers available to applicants and accept such applicants and  
9 promulgate any emergency or regular rules and regulations needed for the  
10 implementation of the video lottery system authorized under sections 313.425 to  
11 313.437 no later than one hundred twenty days after the effective date of this act;

12 (3) Issue an approved form for persons applying for a video lottery game  
13 terminal operator's license available for use in contracting with a video lottery game  
14 retailer no later than one hundred twenty days after the effective date of this act;

15 (4) Establish a start date, once applications and the approved form contract are  
16 made available, whereby any person seeking a license as a video lottery game operator  
17 that has applied for a license to be a video lottery game terminal operator, has paid the  
18 initial license fee, and satisfactorily completed an initial criminal background check may  
19 begin soliciting contracts with prospective video lottery game retailers for the placement  
20 of video lottery game terminals. Such start date shall be set no more than sixty days  
21 after applications are made available; and

22 (5) Approve or deny any completed video lottery game retailer establishment  
23 application no more than ninety days after such an application has been received.

313.433. 1. Notwithstanding any other provision of law to the contrary,  
2 participation by a person, firm, corporation, or organization in any aspect of the state  
3 lottery under sections 313.425 to 313.437 shall not be construed to be a lottery or gift  
4 enterprise in violation of Section 39 of Article III of the Constitution of Missouri.

5 2. The sale of lottery tickets, shares, or lottery game plays using a video lottery  
6 game terminal under sections 313.425 to 313.437 shall not constitute a valid reason to

7 refuse to issue or renew or to revoke or suspend any license or permit issued under the  
8 provisions of chapter 311.

313.434. 1. The state of Missouri shall be exempt from the provisions of 15  
2 U.S.C. Section 1172, as amended.

3 2. All shipments of gaming devices used to conduct pull-tab games or video  
4 lottery games authorized under sections 313.425 to 313.437 to licensees, the registering,  
5 recording, and labeling of which have been completed by the manufacturer or  
6 distributor thereof in accordance with 15 U.S.C. Sections 1171 to 1178, as amended,  
7 shall be legal shipments of gambling devices into this state.

313.435. 1. A municipality may adopt an ordinance prohibiting video lottery  
2 game terminals within the limits of such municipality within one hundred eighty days  
3 from the effective date of this act.

4 2. A county commission may, for the unincorporated area of the county, adopt  
5 an ordinance prohibiting video lottery game terminals within the unincorporated area  
6 of such county within one hundred eighty days from the effective date of this act.

7 3. Any municipality or county adopting an ordinance that disallows the licensing  
8 of video lottery game retailers shall notify the commission of such action and provide a  
9 certified copy of such ordinance to the commission. Upon receiving such notification  
10 and ordinance, the commission shall not license video lottery game retailers within such  
11 area covered by such municipal or county ordinance.

12 4. Any such municipality or county that has opted to prohibit the use of video  
13 lottery game terminals to play video lottery games may repeal such ordinance, and upon  
14 such repeal and notification of such repeal, the commission may license video lottery  
15 game retailers within such municipality or county to conduct video lottery games.

313.437. If any provision of sections 313.425 to 313.437 or the application thereof  
2 to anyone or to any circumstance is held invalid, the remainder of those sections and the  
3 application of such provisions to others or other circumstances shall not be affected  
4 thereby.

313.842. 1. There ~~may~~ **shall** be established programs which shall provide  
2 treatment, prevention, **recovery**, and education services for compulsive gambling. As used in  
3 this section, "compulsive gambling" means a condition suffered by a person who is  
4 chronically and progressively preoccupied with gambling and the urge to gamble. Subject to  
5 appropriation, such programs shall be funded from the one-cent admission fee authorized  
6 pursuant to section 313.820, and in addition, may be funded from the taxes collected and  
7 distributed to any city or county under section 313.822 **or any other funds appropriated by**  
8 **the general assembly**. Such moneys shall be submitted to the state and credited to the  
9 "Compulsive Gamblers Fund", which is hereby established within the department of mental

10 health. Notwithstanding the provisions of section 33.080 to the contrary, moneys in the fund  
11 at the end of any biennium shall not be transferred to the credit of the general revenue fund.  
12 The department of mental health shall administer programs, either directly or by contract, for  
13 compulsive gamblers. The commission ~~[may]~~ **shall** administer programs to educate the  
14 public about problem gambling and promote treatment programs offered by the department of  
15 mental health. In addition, the commission shall administer the voluntary exclusion program  
16 for problem gamblers authorized by section ~~[313.833]~~ **313.813**.

17 **2. The commission, in cooperation with the department of mental health, shall**  
18 **develop an annual research report in order to assess the social and economic effects of**  
19 **gaming in the state and to obtain scientific information related to the neuroscience,**  
20 **psychology, sociology, epidemiology, and etiology of compulsive gambling. The report**  
21 **and associated studies shall be submitted to the governor, the president pro tempore of**  
22 **the senate, and the speaker of the house of representatives no later than January thirty-**  
23 **first of each year. The research report shall consist of at least:**

24 **(1) A baseline study of the existing occurrence of compulsive gambling in the**  
25 **state. The study shall examine and describe the existing levels of compulsive gambling**  
26 **and the existing programs available that have a goal of preventing and addressing the**  
27 **harmful consequences of compulsive gambling;**

28 **(2) A comprehensive legal and factual study of the social and economic impacts**  
29 **of gambling on the state; and**

30 **(3) Recommendations on programs and legislative actions to address compulsive**  
31 **gambling in the state, including a recommended appropriation to the compulsive**  
32 **gamblers fund based on the study required in subdivision (1) of this subsection.**

✓